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Office of the Director of Central Intelligence

23 February 1974

MEMORANDUM FOR: Mr. John Warner, General Counsel

SUBJECT: The 1952-53 "Oil Cartel" Issue

1. On Friday, 22 February, you called me with respect to the article published on page A-12 of the 22 February issue of the Washington Post appearing under the by-line of Morton Mintz and with the headline, " 'National Security' Saved Oil Cartel in 1953 Probe". In our conversation, you indicated that you had been called by Mr. Houston who thought he remembered some estimative work having been done on this matter at the time in question.

2. We have checked our records and find that Mr. Houston's memory is correct. There seem to have been two "Special Estimates" (the term than used for what we now call an SNIE) that bear on this matter.

a. SE-28, published on 8 May, 1952, classified TOP SECRET and entitled, "Consequences of the Future Revelation of the Contents of Certain Government Documents". The documents in question are identified as a two-volume study entitled, "Report of the Federal Trade Commission on the International Petroleum Cartel".

b. SE-28/1, published on 2 January, 1953 (passed by the Intelligence Advisory Committee, USIB's precursor, on 29 December 1952) classified TOP SECRET and entitled, "Probable Consequences of the Prosecution of the Anti-Trust Suit Against Certain US Oil Companies". Both the number of this Estimate (SE-28/1 is, in effect, a memorandum to holders of SE-28) and its contents indicate that it is a gloss on and amplification of SE-28.

3. Xerox copies of our record copies of the two estimates in question are appended hereto. They clearly bear on the matter covered in Mr. Mintz's story, although they do not give the whole picture.

SECRET

25X1

25X1

Mr. Kent's signature appears on the cover sheet of SE-28 and [REDACTED]
on the cover sheet of both SE-28 and SE-28/1.

4. On Monday, 25 February, I will ask Mr. Critchfield, the NIO for Energy Affairs, to see if he can develop some form of comprehensive account of what this issue was -- or how it was perceived in 1952-53 -- and what role the Agency played in it. I would suggest that if you care to pursue this matter, you might want to talk to [REDACTED] and Mr. Kent, whose memories will probably contribute more enlightenment than anything in our files.

[REDACTED]
George A. Carver, Jr.

Deputy for National Intelligence Officers

Attachments



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SECRET

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